



California Economic Update

January 28, 2016

Summary

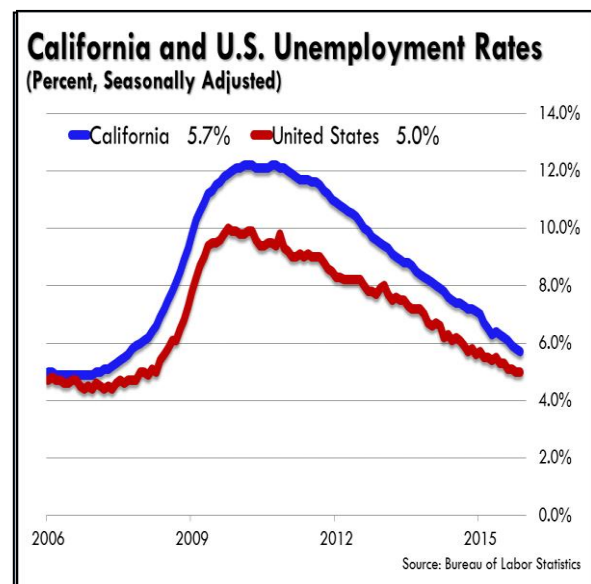
Nonfarm payroll employment in California increased by 60,400 jobs and the unemployment rate increased to 5.8 percent in December according to data released by the Bureau of Labor Statistics (BLS).

California Unemployment Rate

During December, the unemployment rate in California increased to 5.8 percent. The number of people counted as unemployed increased by 13,900 in December to 1,096,100, while the labor force increased by 4,200 to 18,996,600.

The 10-year and series peak for the unemployment rate in California was 12.2 percent in October 2010. The 10-year low for the unemployment rate in California was 4.9 percent in December 2006. The series low for the unemployment rate in California occurred in December 2000 when the unemployment rate reached 4.7 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 5.0 percent in December. December's unemployment rate was 0.6 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2006.



California Payroll Employment

California nonfarm payrolls increased by 60,400 jobs, or 0.4 percent, on a seasonally adjusted basis during December. In the prior month, nonfarm payrolls increased by 7,200. Over the past 12 months nonfarm payrolls in California increased by 459,400, or 2.9 percent. California nonfarm payroll employment has increased in 12 of the past 12 months.

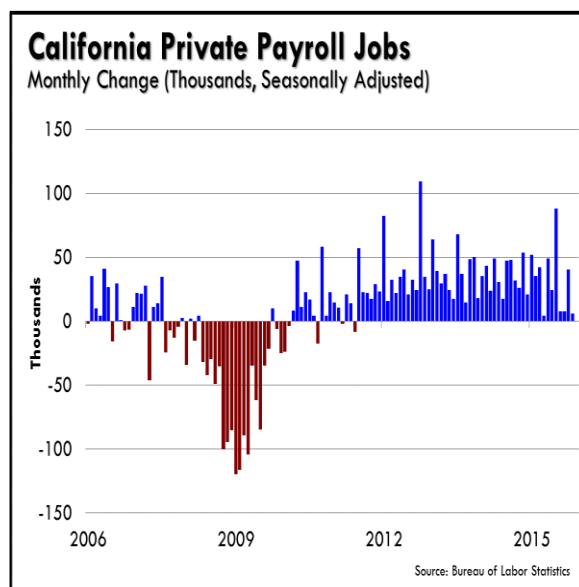
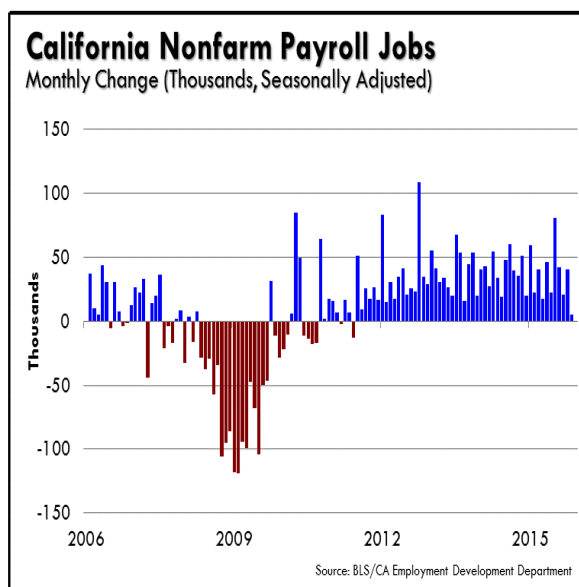
Nationally nonfarm payrolls rose by 292,000 in December, or 0.21 percent. Over the 12-month period ending in December 2015 nonfarm payrolls have increased by 2,650,000 jobs, or 1.9 percent.

During December, California private-sector payrolls increased by 56,700, or 0.4 percent. Private-sector payrolls increased by 15,800 jobs in the prior month. Over the past 12 months, private-sector payrolls in California increased by 423,900, or 3.2 percent. California private-sector payroll employment has increased in 12 of the past 12 months.

Nationally, private-sector payroll jobs increased by 275,000 in December, or 0.23 percent. Over the past 12 months, the nation's economy has added 2,551,000 jobs in the private sector, an increase of 2.1 percent.

During December, total government payroll employment in California increased by 3,700, or 0.2 percent. Federal government payroll employment increased by 2,800, or 1.1 percent. State government payroll employment decreased by 1,100, or 0.2 percent, while local government payroll employment increased by 2,000, or 0.1 percent.

Over the past year, total government payroll employment increased by 35,500, or 1.5 percent. State government payroll employment increased by 9,600, or 1.9 percent. Local government payroll employment increased by 23,000, or 1.4 percent.



The best performing sectors on a seasonally adjusted basis during December were Professional and Business Services (+15,800) and Construction (+11,200). The poorest performing sectors during the month were Manufacturing (+1,600) and Education and Health Services (+2,100).

The best performing sectors during the last twelve months were Professional and Business Services (+124,700) and Leisure and Hospitality (+76,600). The poorest performing sectors for the year were Manufacturing (-2,500) and Financial Activities (+4,400).

Other California Labor Force Statistics

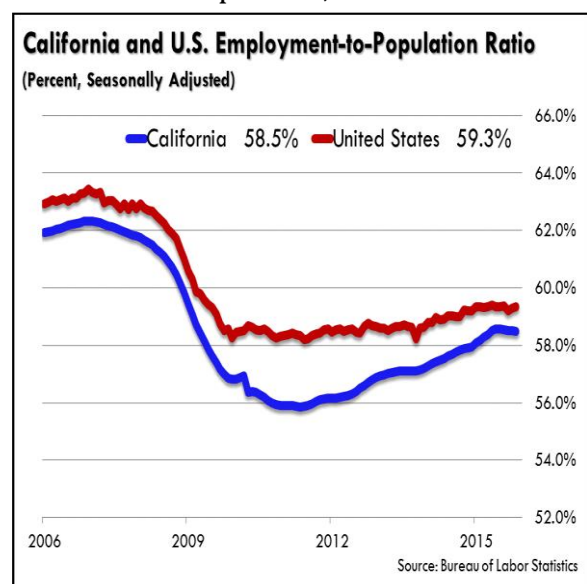
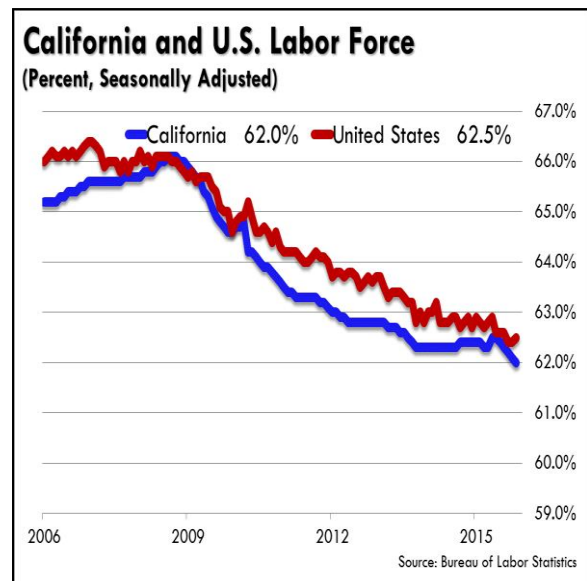
The labor force participation rate in California held steady at 62.0 percent in December. The labor force participation rate in California is down from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in California was 66.1 percent in October 2008. The series high for the labor force participation rate in California occurred in December 1989, when the labor force participation rate hit 67.9 percent. The 10-year and series low for the labor force participation rate was set at 62.0 percent in December 2015.

The national labor force participation rate increased to 62.6 percent in December. That rate was 0.1 percentage point lower than a year earlier. At 62.6 percent, the labor force participation rate remains near its post-recession low.

The employment-to-population ratio, or the percentage of the California civilian noninstitutionalized population 16 years and older counted as employed, decreased to 58.4 percent in December.

The 10-year high for the employment-to-population ratio in California was 62.3 percent in December 2006. The series high for the employment-to-population ratio in California occurred in December 1989 when the employment-to-population ratio hit 64.4



percent. The 10-year low for the employment-to-population ratio was 55.9 percent in May 2011. The series low for the employment-to-population ratio also occurred in May 2011 when the employment-to-population ratio hit 55.9 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.5 percent in December. That rate was 0.3 percentage point higher than a year earlier, and 0.1 percentage point higher than it was when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for January is scheduled for release on March 14th. The national employment situation report for January will be released on Friday, February 5th.